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C O N F I D E N T I A L SECTION 01 OF 02 SUVA 000427

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E.O. 12958: DECL: 10/13/2016  
TAGS: [PREL](#) [PGOV](#) [EAID](#) [TW](#) [NR](#) [FJ](#) [CH](#) [XU](#)  
SUBJECT: TAIWAN PRESIDENT CHEN'S VISIT TO NAURU; READ-OUT  
ON PACIFIC ALLIES SUMMIT

REF: KOROR 277

Classified By: AMBASSADOR LARRY M. DINGER. SECTIONS 1.4 (B) AND (D).

11. (C) Summary: According to Australia's Consul General in Nauru, security concerns were paramount during Taiwan President Chen Shui-bian's six-hour state visit to Nauru September 6. Of the 80-member Taiwan delegation that made the trip, 30 were security guards. The Nauru Police were required to turn their backs on Chen when giving a 21-gun salute in his honor. During his visit, Chen gave a brief speech, opened a Trade Fair showcasing products from Taiwan and attended a state luncheon. Nauru officials were upbeat about the Taiwan Pacific Allies Summit (TPAS) held in Palau September 4 (reftel). At the summit, Taiwan agreed to various initiatives to improve access to technology, provide medical assistance, enhance judicial and law enforcement cooperation, and provide agriculture and economic assistance. Apparently, little in the way of direct cash assistance was offered. Chen reportedly told leaders that Taiwan would not engage in a "dollar diplomacy" competition with the PRC. The Taiwan Representative in Fiji, on the other hand, told us that giving cash to politicians and candidates for office remains a common Taiwan practice in the region. End summary.

#### Chen's Visit to Nauru - Paranoia Reigns

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12. (C) According to the Australian Consul General in Nauru, fears of assassination dominated President Chen's actions during his state visit to Nauru September 6. After initially balking, the Government of Nauru agreed that Chen's 30-person security detail (out of 80 total visitors) could carry loaded weapons. The Nauru Police (Nauru has no military) gave Chen a 21-gun salute, but were required to turn their backs on Chen and fire in the opposite direction.

13. (C) During the six-hour visit, Chen visited Parliament and delivered a short speech. He opened a Trade Fair that showcased a variety of Taiwan products ranging from medical equipment to DVD players. The state luncheon held in Chen's honor reportedly cost A\$11,000 (USD 8,200), an enormous sum for destitute Nauru, although we assume Taiwan paid the bill.

#### Read-out of the Taiwan-Pacific Allies Summit

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14. (C) The Consul General received a read-out on the Summit from Nauru President Ludwig Scotty, Foreign Minister David Adeang, and Health Minister Kieren Keke. According to these

officials, the countries attending the summit agreed to continue their support of Taiwan's bid to enter international and regional organizations. The Nauru officials gave a few more specifics on Taiwan initiatives in the region noted in the joint communiqué (the Palau Declaration) issued after the Summit (reftel):

--Judicial cooperation: Taiwan will work with its Pacific allies to develop a two-way mechanism to prevent money laundering and exchange intelligence. Law enforcement training will start with Coast Guard training in Taiwan next year.

--E-government: Taiwan will donate computer hardware to 18 schools, 12 NGOs and government institutions. Computer software and training will be provided throughout the region. (Like most of the initiatives, it is unclear how much training and equipment each country will receive).

--Tourism: Taiwan will work with its allies to improve regional transportation infrastructure where possible. It will also promote visits to the region by Taiwan tourists.

--Medical cooperation: Taiwan will continue to send medical teams to the region, and will encourage sister-hospital arrangements. A five-year medical assistance program, the Taiwan-Pacific Medical Alliance, will focus on AIDS, TB, diabetes, STDs and cardio-vascular diseases.

--Energy and environment: Joint efforts will focus on developing renewable energy sources. Taiwan will donate 100 solar home systems and 100 sets of traffic lights to countries in the region. An Environment Ministers' Meeting

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is planned for 2007.

--Economic partnership: Taiwan and the six countries will establish a business information exchange mechanism. Taiwan will provide space at Taiwan trade promotion functions for its partner countries to display goods. It will assist those countries with purchasing and marketing trips to Taiwan.

--Agriculture and fishing: Several bilateral initiatives were noted. Taiwan will reportedly assist Kiribati in developing "value added" aquaculture for such products as snails and scallops, and help Tuvalu expand export markets for tuna and barracuda. The focus in Nauru will be production of mangoes and pineapples. In Solomon Islands the focus will be on rice; in Palau and the Marshalls on improving fruit and vegetable production.

--Austronesian culture: An Austronesian Forum will be held in Taiwan this December. An Austronesian culture "Secretariat" will be established in Taiwan and the annual Austronesian Cultural Festival in Taiwan will be expanded.

Chen Says Taiwan Won't Engage in Dollar Diplomacy,  
But We Hear a Different Story  
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15. (C) The Nauru officials noted that Taiwan did not put "extra money" on the table, although Taiwan officials did agree to try to help Nauru out on certain real estate loans from Taiwan banks (totaling USD 2-3 million). At the Summit, President Chen reportedly made a point of saying that Taiwan is not in a position to challenge the PRC in the "dollar diplomacy" game, and would therefore not engage in that kind of competition.

16. (C) In a recent conversation with us, Sherman Kuo, the Taiwan Trade Representative in Fiji, reiterated Chen's point about engaging in a "dollar diplomacy" struggle with the PRC. On the other hand, Kuo readily admitted that Taiwan sometimes provides funds to officials and candidates for office in the region. "That's the way it's done in Taiwan

itself," he said, "and it happens in the Pacific too." Taiwan also continues to invest its money in splashy, high-profile projects in Fiji and other countries in the region. A good example is the just completed "Taiwan Cup, 10-10 Rugby Tournament" in Suva. In addition to the expense of putting on and promoting the event, Taiwan offered FJ\$30,000 (USD 18,000) in prize money, FJ\$15,000 to the winning team. In view of the extensive media coverage the event received, Kuo predicted that, next year, the PRC would host a rugby tournament in Fiji too.

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